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# FBI Says Pelton Reported Soviet Interest in Satellites

## *Agents Detail Talks With Alleged Spy*

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BALTIMORE, May 28—Accused spy Ronald W. Pelton allegedly told FBI agents that based on dozens of hours of debriefing sessions with Soviet agents he concluded that the Soviets were most interested in the "overhead collection" capabilities of spy satellites and the U.S. ability to intercept messages to and from Soviet embassies around the world.

Pelton, a former National Security Agency employee, discovered that the Soviets did not appear surprised that the United States intercepts "command and control" communications from the "highest level" authorities in the Soviet Union, according to an FBI counterintelligence officer who testified in federal court here today. Pelton also allegedly reported to FBI agents that the Soviets did not seem interested in the two secret locations where Pelton said the United States was intercepting other Soviet communications.

The second day of Pelton's trial on espionage charges focused on how two FBI counterintelligence agents persuaded Pelton last November to talk about the top secret U.S. intelligence-gathering systems he divulged to the Soviets in return for cash payments. Pelton's revelations to the Soviets allegedly included "Project A," which well-informed sources have told The Washington Post was a submarine operation to intercept Soviet communications.

FBI agent David Faulkner testified today that shortly before Pelton's arrest in November Pelton admitted telling Soviet agents about the location and equipment used in Project A. Faulkner said that during the interrogation of Pelton on Nov. 24, Pelton was handed a map and he showed the agents how he had pointed out the location of the Project A collection equipment to the Soviets.

The location that Pelton pointed to on the map was the Sea of Okhotsk between the Kamchatka Peninsula and the eastern Soviet coastline, according to informed sources.

Although the map bearing Pelton's notation was shown to the jury and introduced as an official exhibit in the trial, U.S. District Judge Herbert F. Murray immediately sealed the exhibit. Requests by news organizations to view the map were rejected. "You can file a lawsuit," prosecutor John Douglass told reporters, "but you'll lose it."

Yesterday, NSA officials testified that the United States had been successfully intercepting messages relating to Soviet military movements, planning and weapons capabilities on this communication "link." After Pelton's alleged compromise of the operation, the Soviets had "more than sufficient information to take countermeasures" to stop the interception, according to Douglass.

According to Faulkner, Pelton told FBI agents that the Soviets may have already known something about Project A because of an unspecified incident that took place in the late 1970s. Details of the incident could not be learned. However, congressional oversight committees have raised questions in the past about a number of collisions between Soviet naval vessels and U.S. submarines involved in secret intelligence-gathering operations.

Faulkner, one of the FBI agents who questioned Pelton shortly before his arrest, told the court that Pelton admitted selling information about five highly sensitive NSA projects, and provided the agents a general description of the information he disclosed.

Pelton said that he described to the Soviets Project A's collection equipment, including its size and some of its technical problems, Faulkner testified. But Pelton allegedly told the agents he had little information for the Soviets on the "product" of Project A—the actual intelligence data it harvested.

Pelton acknowledged, Faulkner said, that his revelations about Project A had been "enormously costly" in budget terms, but Pelton refused to answer the agents when asked if he considered his disclosures "life-threatening" to those "individuals involved in servicing the [Project A] equipment."

Faulkner said Pelton also admitted telling the Soviets of the location of Project B, which a senior NSA official testified yesterday is an ongoing operation to upgrade equipment used in collecting and processing intercepted Soviet messages. Pelton admitted telling the Soviets of Project B's five-year budget projections, Faulkner said, which "gave the Soviets inside knowledge of the operations of NSA."

According to Faulkner, Pelton said that Projects C and D, identified by prosecutors yesterday as the locations of two special intelligence-gathering projects, did not appear to be of great interest to the Soviets.

Pelton also allegedly told the agents that there was little interest in Project I<sup>3</sup>, described in testimony yesterday as a U.S. system for intercepting "command and control" communications from "the highest level in the Soviet Union to the next highest level." Faulkner, recounting what Pelton allegedly told the agents, said: "The Soviets were not surprised and didn't seem to be particularly interested in that."

Faulkner recounted several candid and personal exchanges that he said took place with Pelton during the lengthy interrogation on Nov. 24. As they waited for an elevator after the first, three-hour session of the interrogation at the Annapolis Hilton, Faulkner testified that Pelton said: "You must find it very disgusting to deal with someone" who had done what he had done. Faulkner, trying to win Pelton's confidence, said he replied that he believed Pelton had sold secrets to the Soviets only because he wanted to help his destitute family.

Later, just before Pelton was placed under arrest, Pelton told agents that "walking into the Soviet Embassy on Jan. 15, 1980, was the biggest mistake of his life," according to Faulkner's testimony. But, Pelton allegedly said, "When you're broke and desperate and your family is barely surviving, you do crazy things."

Pelton, who worked for NSA for 14 years, allegedly first contacted officials at the Soviet Embassy in Washington on Jan. 14, 1980, and met with them there the following day.

Pelton allegedly told the FBI agents he was forced to file for bankruptcy in April 1979 after his dream to build his own house in rural Howard County fell apart when thieves stole his building materials, leaving him "mortgaged to the hilt." Pelton said he left his \$24,500-a-year job at NSA a few months later because he knew "if NSA found out it would affect his career and be embarrassing," Faulkner said.

After Pelton left NSA he aspired to ambitious investment and currency trading ventures, none of which bore fruit, according to information presented in today's testimony. In one instance, Faulkner said, the FBI discovered that Pelton had written two checks, one for more than \$2 million and one for more than \$4 million, on a Riggs National Bank account that contained only \$300. Pelton allegedly told the agents a deposit was on the way to the bank that would have covered the checks. One of the two unidentified recipients of the checks framed the check he received from Pelton and put it on his wall, and the second recipient filed a lawsuit against Pelton which was later "resolved," Faulkner said.

During questioning that lasted for five hours, Faulkner said, Pelton allegedly related the details of how he kept in regular contact with Soviet agents from January 1980, when he allegedly began disclosing secrets to the Soviets, until the time of his arrest.

At 8 p.m. on the last Saturday of each month, Pelton allegedly told the agents, a Soviet official would place a call to a wall phone at the Pizza Castle restaurant at Seven Corners, near Falls Church. If Pelton missed the call, he could not make contact for another month. However, he allegedly told the agents that the Soviets had told him that in an emergency, he could simply walk into the Soviet Embassy in Washington, posing as a businessman marketing a "power pack" gas-saving device—another of Pelton's failed business ventures.

Faulkner testified that Pelton told FBI agents that his relationship with the Soviets had caused him concern for his own safety and for his family's safety. He said to protect himself he bragged to the Soviets that he still had friends he could contact at NSA for more current intelligence information, according to Faulkner.

By late 1985, Pelton allegedly told the agents, the Soviets had exhausted his storehouse of knowledge on NSA. "They have taken everything from me that I had

to that point," Faulkner quoted Pelton as saying. Pelton said that if his alleged spying activity had continued, the Soviets next would have assigned him to recontact his former NSA colleagues and pump them for more current classified intelligence data that he could sell to the Soviets.

Under cross-examination today, Faulkner acknowledged that the FBI went to great lengths to set up a six-room command center at the Annapolis Hilton to conduct court-ordered electronic surveillance of Pelton and to lure him into a relaxed "interview" with FBI agents.

Questioned about the purpose of this elaborate set-up, Faulkner said the FBI wanted to avoid questioning Pelton in a police setting so agents would not have to advise Pelton of his constitutional rights against self-incrimination and his right to have an attorney present. Faulkner told defense lawyer Fred Warren Bennett that he did not interpret Pelton's repeated statement that anyone in his situation "would be crazy" not to consult an attorney as a request for one.